

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7616

BILL NUMBER: HB 1537

DATE PREPARED: Jan 9, 2001

BILL AMENDED:

SUBJECT: Insurance premium tax reduction and ICHIA fees.

FISCAL ANALYST: Brian Tabor

PHONE NUMBER: 233-9456

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Reduces the insurance premium tax from 2% to 1.3% over a five year phase-in period. Requires insurers that do business in Indiana and that pay the premium tax to pay an Indiana comprehensive health insurance association (ICHIA) fee in an amount equal to the amount by which the insurer's premium tax is reduced. Phases in the ICHIA fee over a five year period. Authorizes an insurer that pays the ICHIA fee to take a tax credit for the full amount of the ICHIA fee and allows the insurer to carry over any unused portion of the tax credit to succeeding years. Exempts special purpose assessments, including the ICHIA fee and the ICHIA assessment, from Indiana's retaliatory insurance provisions. Provides that ICHIA may use the revenue from ICHIA fees only to pay the costs of providing coverage under ICHIA policies.

Effective Date: January 1, 2002.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: